

## Notes to Retail Providers

February 16, 2001

### Power Source Disclosure and Customer Credit Programs Annual Reporting Requirements

These notes provide current information and guidance on how retail electricity providers can meet the requirements for complying with the regulations for retail providers claiming an energy mix or fuel mix different than the California Mix, (Net System Power).

As a retail provider you are probably aware that all retail providers of electricity serving California consumers are subject to provisions mandating disclosure of fuel mix information to consumers<sup>i</sup>. These regulations require every retail provider that makes an offer to sell electricity that is consumed in California and makes any claims that identify any of its electricity sources as different than net system power shall disclose these sources as specific purchases<sup>ii</sup>, and is subject to reporting requirements. These notes serve to remind those of you that made claims of specific purchases in 2000 of the reporting requirements, give you information and guidance regarding the annual reporting requirements, and alert you to the upcoming report filing dates.

#### When must you file?

<u>Report/Filing</u>	<u>Due Date</u>
2000 Annual Retail Providers Report	March 1, 2001
2000 Annual Power Content Label (to customers)	April 15, 2001
Independent Audit/Verification of 2000 Annual Power Content Label and Annual Report	June 1, 2001

#### The Annual Report Filing

Retail providers are required to submit an annual report to the California Energy Commission (Energy Commission) on March 1 for each electricity product offering they made the previous year that differs from Net System Power, (Section 398.5 of the Public Utilities Code and Section 1394 of Title 20 of the California Code of Regulations). Because there have been several questions regarding this matter, we would like to emphasize that **only retail providers that made claims of specific purchases during the 2000 calendar year must submit an Annual Report by March 1, 2001**. If you have any doubt about whether your company should submit one of these reports, please call us at one of the numbers provided below.

The Annual Report must contain the following information:

- 1) The registered electric service provider Identification Number as assigned by either the Public Utilities Commission or the Energy Commission;
- 2) The kilowatt-hours *purchased*, by generating facility and fuel type, during the previous calendar year, consistent with the meter data, including losses, reported to the system operator (Retail providers that purchase electricity from a power pool that submits an Annual Report to the Energy Commission may provide this information by reference to the date and title of that filing submitted by the specified power pool);
- 3) The regulations require that each generating facility be identified using the identification number provided by U. S. Energy Information Administration (EIA) or in the case that such an ID number does not exist, an identification number provided by the Energy Commission (Energy Commission Renewable Energy Program registration number, and/or Qualifying Facility (QF) number);
- 4) For each electricity product offered for sale in California, the kilowatt-hours sold at retail during the previous calendar year;
- 5) For each electricity product offered for sale in California, a sample of each general disclosure provided to consumers (pursuant to section 1393 of the regulations) during the previous calendar year.

The regulations further require that this information be provided electronically in a tabular spreadsheet or database format that allows separate fields or cells to be identified for the information by product, generating facility, and fuel type. Finally, the regulations require each retail provider that makes a claim of specific purchases to provide an attestation, signed under penalty of perjury, that the kilowatt hours claimed by the retail provider as specific purchases during the previous calendar year were sold once and only once to retail consumers.

Also, note that the set of Annual Report forms includes some information that is specific to the customer credit program. The customer credit program reporting requirements apply to all registered renewable providers who received payment from the Customer Credit Subaccount in year 2000 and to all Registered Renewable Wholesalers/Pools who carried out transactions for Registered Renewable Providers who received payment from the Customer Credit Subaccount in year 2000<sup>iii</sup>.

The recommended format for the Annual Report (including the form for the attestation) is available as an Excel file that can be downloaded from the Energy Commission's Web Site at: <[www.energy.ca.gov/sb1305](http://www.energy.ca.gov/sb1305)>. Download the Excel file from the Internet, enter the relevant information in the spaces indicated on the forms, save this Excel file with your name

and e-mail this saved Excel file to <[sb1305@energy.state.ca.us](mailto:sb1305@energy.state.ca.us)> by March 1, 2001. In addition, mail a copy of the filing including the signed the attestation to:

Drake Johnson  
Dockets Office — Power Source Disclosure Program  
California Energy Commission  
1516 9<sup>th</sup> Street, MS-4  
Sacramento, CA 95814

The Dockets Office of the Energy Commission must receive the original copies of the forms that were filed electronically by 4:00 p.m., March 7, 2001.

If your company does not have Internet access but would like an electronic copy of the file, you can obtain an electronic copy of the spreadsheet by submitting a written request to Drake Johnson at the address above. Late requests will not change the required filing date of March 1, 2001.

If your company does not possess a recent copy of Excel (version 5.0 or later) or otherwise cannot file electronically, the Energy Commission will waive the requirement that the report be submitted in an electronic format and accept paper copies of the completed forms with your filing. The recently revised forms are enclosed and additional copies are available upon request. To meet the March 1, 2001 filing date, a copy of the Annual Report may be faxed to Drake Johnson at (916) 653-2543 provided that the original copy of the Annual Report, including the signed attestation, follows by mail and is received at the California Energy Commission Docket Office by 4:00 p.m., March 7, 2001.

### **The Annual Power Content Label**

Retail providers are required to provide their customers with a power content label containing an annual disclosure for each electricity product for which the provider made a claim of specific purchases during the previous calendar year. This annual disclosure must be provided to customers by April 15 each calendar year using a format specified in the Energy Commission's regulations. More information about the format and content requirements for the Annual Power Content Label can be found in either the Energy Commission regulations or the Retail Disclosure in Plain English, [www.energy.ca.gov/regulations/retail\\_disclosure.html](http://www.energy.ca.gov/regulations/retail_disclosure.html) document on the Energy Commission's Web Site.

### **The Independent Verification Process**

To ensure the accuracy of marketing claims to consumers and to prevent the misuse of public funds, the Energy Commission's regulations require program participants to have their electricity purchases and sales independently verified. Current regulations require an independent audit of the Annual Power Content Label and the Annual Report by

June 1 each calendar year. In general, the regulations require the auditor to audit the following:

- 1) the fuel types used by each generating facility identified in the Annual Report,
- 2) contracts and/or certificates of specific generation necessary to trace sale of electricity from the generator to the retailer, and
- 3) retail sales to consumers to verify the accuracy of both the annual fuel mix disclosed to customers and the Annual Report.

The regulations also require an independent audit of any renewable power pool that is referenced in a retail provider's Annual Report in lieu of a specific generator.

The Energy Commission has recently amended its regulations to use a set of agreed-upon procedures intended to meet the verification requirements. The agreed-upon procedures are essentially a set of instructions or protocols expected to guide the accountant through the necessary verification process. Although the approval process for the regulations is not yet complete, the Energy Commission expects the agreed-upon procedures will be formally required by the June 1 date when verifications are due. The draft, agreed-upon procedures, developed last year have been updated to simplify and coordinate the common verification and reporting requirements of SB 1305 (Power Source Disclosure) and SB 90 (Customer Credit) program for participants.

Following receipt of the Annual Audit in June 2001, the Energy Commission will prepare a Reconciliation Report that is submitted to the California Public Utility Commission in October. The Reconciliation Report compares the level of Specific Purchase Claims to the actual level of generation by generating source. This public document also allows for an assessment of the level of compliance of electric service providers with California's power source disclosure regulations.

Hopefully these notes have been an effective reminder of the upcoming reporting requirements. As always, the Energy Commission staff is available to answer any of your questions.

Direct questions regarding the power source disclosure program to Drake Johnson at (916) 653-5898, or <[djohnson@energy.state.ca.us](mailto:djohnson@energy.state.ca.us)>.

If you have questions regarding the Customer Credit Subaccount, please direct them to Heather Raitt (916) 654-4735 or <[hraitt@energy.state.ca.us](mailto:hraitt@energy.state.ca.us)>.

For questions related to the Energy Commission's Certificate program contact Bob Grow at (916) 654-5180 or <[rgrow@energy.state.ca.us](mailto:rgrow@energy.state.ca.us)>.

---

<sup>i</sup> For a description of the retail disclosure requirements in the Public Utilities Code and the California Code of Regulations, look for the Retail Disclosure in Plain English document on the Energy Commission's Web Site or contact the Energy Commission at the phone number / e-mail address given at the end of this letter.

<sup>ii</sup> Specific purchases are defined as electricity transactions which are traceable to specific generation sources by any auditable contract trail or equivalent, such as a tradable commodity system, that provides commercial verification that the electricity source claimed has been sold once and only once to a retail consumer. (Public Utilities Code, Section 398.1(b))

A "claim of specific purchases" or a "claim that identifies any of a retail provider's electricity sources as different from net system power" is defined as "...any statement that is made to consumers by a retail provider for the purpose of marketing any electricity product and that contains either:

- (1) A reference to use of an eligible renewable to generate, in part or in whole, the electricity product offered for sale by the retail provider, other than disclosure of net system power; or
- (2) A statement that a specific attribute of the electricity product related to the generator creates an environmental effect.

(Title 20, California Code of Regulations, section 1391 as amended, November, 2000)

<sup>iii</sup> For a description of the program requirements of the Energy Commission's Customer Credit Subaccount, refer to the ***Guidebook for the Renewable Energy Program — Volume 4, Customer Credit Subaccount***, Fifth Edition, December 2000. The Guidebook is available from the Energy Commission's Web Site at [www.energy.ca.gov/renewables/documents](http://www.energy.ca.gov/renewables/documents), refer to Customer Credit Subaccount Documents.